

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

ORIGINAL

In the Matter of)
)
Inquiry into Policies and Programs)
to Assure Universal Telephone)
Service in a Competitive Market)
Environment)

RM-8388

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

REPLY COMMENTS

BellSouth Telecommunications, Inc. ("BellSouth")
submits its Reply Comments in the above-captioned
proceeding.

Numerous parties have filed comments on the proposal of
MFS Communications Company, Inc. ("MFS") for a Notice of
Inquiry and En Banc hearing into universal support matters.
There is overwhelming agreement that a need exists for the
Commission to address fundamental issues related to
universal support, such as what is universal service, who
should contribute to such support, who should receive such
support, and whether changes need to be made to existing
explicit support mechanisms. There is not agreement,
however, on what proceeding should be used to consider such
matters, the timing of such proceeding with respect to other
urgent matters calling for the Commission's attention, and
whether the inquiry need encompass more than consideration
of existing explicit support mechanisms.

Virtually all commenters do agree with BellSouth,
however, that the Commission should not delay consideration
of access charge reform matters until the universal support

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279

proceedings are concluded, as NPS suggests. As many commenters indicate, a pressing need exists for the Commission to begin an access reform proceeding to determine how best to revise its existing access rules to reflect the increasingly competitive telecommunications environment. Even alternative access providers commenting in this proceeding are quick to point out the fact that competition is growing at a rapid pace. The Commission must revise its rules to afford local exchange carriers the pricing flexibility needed in this new environment. Indeed, sufficient pricing flexibility, in the context of pure price regulation, may well present a possible solution with regard to a large part of the debate on universal support matters, thereby reducing the efforts that must be undertaken in a universal service proceeding.

Respectfully submitted,

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January 3, 1994

CERTIFICATE OF SERVICE

I hereby certify that I have this 3rd day of January, 1994 served the parties on the attached Service List with a copy of the foregoing REPLY COMMENTS by placing a true and correct copy of same in the United States Mail, postage prepaid.

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